

CITY OF BENTLEY FINANCIAL REPORTING ENTITY, KANSAS

**FINANCIAL STATEMENT
DECEMBER 31, 2016**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
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DECEMBER 31, 2016**

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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

**Mayor and City Council
City of Bentley, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the **City of Bentley Financial Reporting Entity, Kansas**, as of and for the year ended **December 31, 2016**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Mayor and City Council
City of Bentley, Kansas**

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by the **City of Bentley Financial Reporting Entity, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the **City of Bentley Financial Reporting Entity, Kansas**, as of **December 31, 2016**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the **City of Bentley Financial Reporting Entity, Kansas**, as of **December 31, 2016**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

**Mayor and City Council
City of Bentley, Kansas**

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of cash receipts and expenditures-capital projects (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated April 12, 2016. The 2015 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2015 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statement. The 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
May 9, 2017

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental							
General	\$ 14,397	\$ 0	\$ 345,412	\$ 313,479	\$ 46,330	\$ 2,284	\$ 48,614
Special Purpose Funds							
Streets and Highway	18,899	0	19,932	14,420	24,411	22	24,433
Capital Improvement Reserve	6,727	0	0	0	6,727	0	6,727
Equipment Reserve	9,490	0	0	1,301	8,189	0	8,189
Parks & Recreation	6,221	0	4,596	4,301	6,516	0	6,516
Government Grant	134,912	0	23,818	58,389	100,341	0	100,341
Memorial	1,110	0	1	0	1,111	0	1,111
Bond and Interest	1,711	0	72,444	71,891	2,264	0	2,264
Business							
Water Utility	73,704	0	102,386	98,874	77,216	1,228	78,444
Sewer Utility	63,996	0	66,640	61,677	68,959	0	68,959
Solid Waste Utility	20,577	0	41,986	39,311	23,252	0	23,252
	<u>\$ 351,744</u>	<u>\$ 0</u>	<u>\$ 677,215</u>	<u>\$ 663,643</u>	<u>\$ 365,316</u>	<u>\$ 3,534</u>	<u>\$ 368,850</u>
Related Municipal Entity							
Land Bank	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,486</u>	<u>\$ 1,522</u>	<u>\$ 1,964</u>	<u>\$ 0</u>	<u>\$ 1,964</u>
Composition of Cash:				Checking		\$ 367,739	
				Savings		1,111	
						<u>\$ 368,850</u>	
				Related Municipal Entity-Checking		<u>\$ 1,964</u>	

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

The City of Bentley is a municipal corporation governed by an elected Mayor and City Council. The regulatory financial statement presents the City of Bentley and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Land Bank- The Land Bank was established under K.S.A. 12-5901 for the purpose of acquiring land within the City of Bentley. The Land Bank is governed by a Board of Trustees with is comprised of the members of the City Council and Mayor.

The Land Bank is presented as a discreet related municipal entity. A separate audited financial statement is not prepared by the related municipal entity.

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

KMAAG Regulatory Basis of Presentation Fund Definitions:

Governmental Funds

General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds-used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond & Interest Fund-used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund-used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund-funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United State of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one amendment for the year ended December 31, 2016.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenue are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year-end.

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

A legal operating budget is not required for capital projects funds, trust funds and the following special purpose funds:

Capital Improvement Reserve Fund
Parks & Recreation Fund
Memorial Fund

Equipment Reserve Fund
Government Grant Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Special Assessments

Projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured in full by the City and are retired from the City's bond and interest fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the City's bond and interest fund to finance delinquent special assessments. Special assessment taxes are levied over a ten- or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

Note 2 - Contingencies:

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Grant Programs

The City participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Note 3 - Reimbursed Expenses:

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Note 4 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2016.

At December 31, 2016, the City's carrying amount of deposits, including the related municipal entity was \$370,814 and the bank balance was \$379,514. The bank balance is held by one bank resulting in a concentration of credit risk. Of the bank balance, \$251,963 was covered by federal depository insurance, and the remaining \$127,551 was collateralized with securities held by the pledging financial institution's agent in the City's name.

Note 5 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The City did not provide any significant postemployment benefits for former employees at December 31, 2016.

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Note 6 - Defined Benefit Pension Plan:

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City were \$12,518 for the year ended December 31, 2016

Net Pension Liability

At December 31, 2016, the City's proportionate share of the collective net pension liability reported by KPERS was \$116,739. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Note 7 - Government Grant Fund:

The City maintains the Government Grant Fund for the purpose of making loans to local business as a way to enhance economic developments. In addition, the City uses the Fund to finance certain capital improvements within the City.

Outstanding loan balances as of December 31, 2016, consist of the following:

On March 6, 2009, the City provided a \$40,000 mortgage loan for the purpose of providing financing for a local business. Terms of the loan provide payments of \$320.32 per month including interest at 5.0% with final maturity in November 2024.

On January 9, 2014, the City approved a \$17,280 advance to the General Fund for the purpose of purchasing certain platted property within the City. Terms of the agreement provide repayment of the advance at \$314.35 per month including interest at 3.5% with final maturity on January 1, 2019. This advanced was paid in full during 2016.

On August 11, 2016, the City approved a \$39,773 advance to the General Fund. Terms of the agreement provide repayment of the advance on August 11, 2017, including interest at 3.5%.

On December 15, 2016, the City approved an \$18,615.75 advance to pay off the Scout Packs lease purchase agreement as described in Note 11. Terms of the agreement provide for five annual payments of \$4,123.04 including interest at 3.5% with final maturity on December 15, 2021.

Repayments received for the year ended December 31, 2016, were:

Interfund Repayment	\$ 19,565
Mortgage Loan	<u>3,844</u>
	<u>\$ 23,409</u>

Outstanding balances and maturities on the Government Grant loans as of December 31, 2016, were:

	Mortgage Loan	Interfund Loan	Total Principal
2017	\$ 2,649	\$ 43,245	\$ 45,894
2018	2,785	3,593	6,378
2019	2,927	3,718	6,645
2020	3,077	3,849	6,926
2021	3,235	3,984	7,219
2022-2024	<u>10,421</u>	<u>0</u>	<u>10,421</u>
	<u>\$ 25,094</u>	<u>\$ 58,389</u>	<u>\$ 83,483</u>

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Note 8 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the City to record vacation and sick leave benefits as expenditures when paid.

Note 9 - Interfund Transactions:

Operating transfers were as follows:

	Statutory Authority	General	Bond and Interest	Total
Transfer from:				
Water Utility	K.S.A. 12-825d	\$ 30,000	\$ 15,158	\$ 45,158
Sewer Utility	K.S.A. 12-825d	0	15,158	15,158
		<u>\$ 30,000</u>	<u>\$ 30,316</u>	<u>\$ 60,316</u>

Note 10 - Subsequent Events:

The City has evaluated subsequent events through May 9, 2017, the date which the financial statement was available to be issued.

Note 11 - Long-term Debt:

Principal payments are due annually and interest payments are due semi-annually on general obligation bonds. Principal and interest payments on lease purchase agreements are due annually.

Terms for long-term liabilities for the City for the year ended December 31, 2016, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	0.6 - 3.4	12/27/12	\$ 1,705,000	9/1/32
Lease Purchase Agreements				
Scout Packs	3.99	9/19/13	\$ 42,827	3/1/18
Vehicle	3.00	2/26/16	\$ 18,000	12/1/20

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2016**

Changes in long-term liabilities for the City for the year ended December 31, 2016, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	\$ 1,625,000	\$ 0	\$ 65,000	\$ 1,560,000	\$ 43,270
	<u>1,625,000</u>	<u>0</u>	<u>65,000</u>	<u>1,560,000</u>	<u>43,270</u>
Lease Purchase Agreements					
Scout Packs	26,231	0	26,231	0	1,836
Vehicle	0	18,000	9,394	8,606	606
	<u>26,231</u>	<u>18,000</u>	<u>35,625</u>	<u>8,606</u>	<u>2,442</u>
	<u>\$ 1,651,231</u>	<u>\$ 18,000</u>	<u>\$ 100,625</u>	<u>\$ 1,568,606</u>	<u>\$ 45,712</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	General Obligation Bonds			Lease Purchases			Totals		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
2016	\$ 85,000	\$ 42,360	\$ 127,360	\$ 3,703	\$ 260	\$ 3,963	\$ 88,703	\$ 42,620	\$ 131,323
2017	90,000	41,090	131,090	3,814	148	3,962	93,814	41,238	135,052
2018	90,000	39,605	129,605	1,089	34	1,123	91,089	39,639	130,728
2019	90,000	37,940	127,940	0	0	0	90,000	37,940	127,940
2021	90,000	36,095	126,095	0	0	0	90,000	36,095	126,095
2022 - 2026	460,000	147,190	607,190	0	0	0	460,000	147,190	607,190
2027 - 2031	530,000	76,510	606,510	0	0	0	530,000	76,510	606,510
2032	125,000	4,250	129,250	0	0	0	125,000	4,250	129,250
	<u>\$ 1,560,000</u>	<u>\$ 425,040</u>	<u>\$ 1,985,040</u>	<u>\$ 8,606</u>	<u>\$ 442</u>	<u>\$ 9,048</u>	<u>\$ 1,568,606</u>	<u>\$ 425,482</u>	<u>\$ 1,994,088</u>

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental					
General	\$ 349,053	\$ 0	\$ 349,053	\$ 313,479	\$ (35,574)
Special Purpose Funds					
Streets and Highway	19,500	0	19,500	14,420	(5,080)
Capital Improvement Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Equipment Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,301	XXXXXXXXXX
Parks & Recreation	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	4,301	XXXXXXXXXX
Government Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	58,389	XXXXXXXXXX
Memorial	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Bond and Interest	112,142	0	112,142	71,891	(40,251)
Business					
Water Utility	151,858	0	151,858	98,874	(52,984)
Sewer Utility	66,624	0	66,624	61,677	(4,947)
Solid Waste Utility	46,000	0	46,000	39,311	(6,689)
	<u>\$ 745,177</u>	<u>\$ 0</u>	<u>\$ 745,177</u>	<u>\$ 663,643</u>	<u>\$ (145,525)</u>
Related Municipal Entity					
Land Bank	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>	<u>\$ 1,522</u>	<u>XXXXXXXXXX</u>

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Ad valorem tax	\$ 108,001	\$ 107,851	\$ 112,801	\$ (4,950)
Delinquent tax	5,757	2,409	0	2,409
Motor vehicle tax	23,653	24,697	20,632	4,065
Recreational vehicle tax	494	395	582	(187)
State assessed tax	6,504	6,840	0	6,840
Sales tax	75,951	75,186	75,000	186
Permits and fees	197	944	2,000	(1,056)
Franchise fees	15,323	15,364	18,000	(2,636)
Municipal court	10,750	17,508	25,400	(7,892)
Local alcoholic liquor tax	1,978	2,094	2,068	26
Government grant loan advance	0	39,773	39,773	0
Interest	144	867	0	867
Miscellaneous	13,873	21,484	8,400	13,084
Transfers	0	30,000	30,000	0
	<u>262,625</u>	<u>345,412</u>	<u>\$ 334,656</u>	<u>\$ 10,756</u>
Expenditures				
Salaries and wages	56,522	57,928	\$ 75,000	\$ (17,072)
Law enforcement	36,283	41,191	36,500	4,691
Municipal court	2,006	4,004	1,000	3,004
Office supplies and expenses	16,781	27,760	26,000	1,760
Insurance and employee bonds	22,879	24,520	24,500	20
General maintenance	2,969	8,714	2,800	5,914
Utilities	11,566	7,093	15,500	(8,407)
Professional Fees	27,613	29,758	30,000	(242)
Memberships and subscriptions	2,018	1,513	1,700	(187)
Materials and supplies	3,691	5,260	15,000	(9,740)
Volunteer Fire Department	25,001	23,385	34,000	(10,615)
Employee benefits	12,199	13,071	22,000	(8,929)
Personnel training	3,791	1,369	2,480	(1,111)
County code remittance	246	440	1,000	(560)
Bond and interest payments	46,745	36,379	28,000	8,379
Miscellaneous	17,840	6,449	10,500	(4,051)
Distressed Properties	0	5,080	5,080	0
Government grant fund payment	0	19,565	17,993	1,572
	<u>288,150</u>	<u>313,479</u>	<u>\$ 349,053</u>	<u>\$ (35,574)</u>
Receipts Over (Under) Expenditures	(25,525)	31,933		
Unencumbered Cash, Beginning	39,922	14,397		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	<u>\$ 14,397</u>	<u>\$ 46,330</u>		

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

<u>Streets and Highway Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
County gas tax	\$ 5,883	\$ 6,042	\$ 5,860	\$ 182
State gas tax	13,791	13,890	13,710	180
	<u>19,674</u>	<u>19,932</u>	<u>\$ 19,570</u>	<u>\$ 362</u>
Expenditures				
Salaries and wages	5,138	4,831	\$ 6,000	\$ (1,169)
Employee benefits	2,111	1,113	2,000	(887)
Materials and supplies	1,146	1,284	3,000	(1,716)
Maintenance and repairs	3,922	1,355	4,000	(2,645)
Street lighting	1,978	5,757	4,500	1,257
Professional fees	1,700	80	0	80
Utilities	3,978	0	0	0
Miscellaneous	27	0	0	0
	<u>20,000</u>	<u>14,420</u>	<u>\$ 19,500</u>	<u>\$ (5,080)</u>
Receipts Over (Under) Expenditures	(326)	5,512		
Unencumbered Cash, Beginning	19,225	18,899		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 18,899</u>	<u>\$ 24,411</u>		

CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

Capital Improvement Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Capital improvements	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	6,727	6,727
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 6,727</u>	<u>\$ 6,727</u>

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

Equipment Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Capital improvements	<u>0</u>	<u>1,301</u>
	<u>0</u>	<u>1,301</u>
Receipts Over (Under) Expenditures	0	(1,301)
Unencumbered Cash, Beginning	9,490	9,490
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 9,490</u>	<u>\$ 8,189</u>

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

Parks and Recreation

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	\$ 5,302	\$ 4,596
	<u>5,302</u>	<u>4,596</u>
Expenditures		
Capital improvements	1,135	4,301
	<u>1,135</u>	<u>4,301</u>
Receipts Over (Under) Expenditures	4,167	295
Unencumbered Cash, Beginning	2,054	6,221
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 6,221</u>	<u>\$ 6,516</u>

CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

Government Grant Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Repayments	\$ 3,844	\$ 23,409
Interest	83	409
	<u>3,927</u>	<u>23,818</u>
Expenditures		
Loan advances	<u>0</u>	<u>58,389</u>
	<u>0</u>	<u>58,389</u>
Receipts Over (Under) Expenditures	3,927	(34,571)
Unencumbered Cash, Beginning	130,985	134,912
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 134,912</u>	<u>\$ 100,341</u>

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

<u>Memorial Fund</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 0	\$ 1
	<u>0</u>	<u>1</u>
Expenditures		
Miscellaneous	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	1
Unencumbered Cash, Beginning	1,110	1,110
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,110</u>	<u>\$ 1,111</u>

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Delinquent tax	\$ 21	\$ 3,783	\$ 0	\$ 3,783
Special assessments	58,451	38,345	82,000	(43,655)
Transfers	22,034	30,316	30,316	0
	<u>80,506</u>	<u>72,444</u>	<u>\$ 112,316</u>	<u>\$ (39,872)</u>
Expenditures				
Principal	34,177	43,160	\$ 43,600	\$ (440)
Interest	44,618	28,731	68,442	(39,711)
Commission	0	0	100	(100)
	<u>78,795</u>	<u>71,891</u>	<u>\$ 112,142</u>	<u>\$ (40,251)</u>
Receipts Over (Under) Expenditures	1,711	553		
Unencumbered Cash, Beginning	0	1,711		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,711</u>	<u>\$ 2,264</u>		

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

<u>Water Utility Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
User fees	\$ 101,627	\$ 100,623	\$ 117,000	\$ (16,377)
Water taps	780	625	0	625
Miscellaneous	450	1,138	0	1,138
	<u>102,857</u>	<u>102,386</u>	<u>\$ 117,000</u>	<u>\$ (14,614)</u>
Expenditures				
Salaries and wages	54,186	19,111	\$ 45,000	\$ (25,889)
Employee benefits	11,264	4,317	10,000	(5,683)
Utilities	4,151	2,401	6,000	(3,599)
Repairs	4,286	6,046	7,500	(1,454)
Office Expense	11,848	2,375	1,000	1,375
Water purchase	9,750	10,969	20,000	(9,031)
Memberships and subscriptions	156	194	200	(6)
Materials and supplies	3,602	4,763	7,500	(2,737)
Personnel training	818	170	1,000	(830)
Insurance	0	0	1,000	(1,000)
Sales tax	1,384	0	4,000	(4,000)
Miscellaneous	780	427	1,500	(1,073)
Professional fees	4,475	2,943	2,000	943
Transfers	91,017	45,158	45,158	0
	<u>197,717</u>	<u>98,874</u>	<u>\$ 151,858</u>	<u>\$ (52,984)</u>
Receipts Over (Under) Expenditures	(94,860)	3,512		
Unencumbered Cash, Beginning	168,564	73,704		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 73,704</u>	<u>\$ 77,216</u>		

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

<u>Sewer Utility Fund</u>	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
User fees	\$ 66,136	\$ 66,640	\$ 65,000	\$ 1,640
Transfers	80,000	0	0	0
	<u>146,136</u>	<u>66,640</u>	<u>\$ 65,000</u>	<u>\$ 1,640</u>
Expenditures				
Salaries and wages	19,811	17,800	\$ 23,916	\$ (6,116)
Employee benefits	3,812	4,033	4,000	33
Materials and supplies	13,267	5,337	4,000	1,337
Repairs	6,282	12,105	15,000	(2,895)
Utilities	2,572	3,776	2,000	1,776
Miscellaneous	0	0	500	(500)
Personnel training	0	0	750	(750)
Professional fees	950	2,523	1,000	1,523
Office Expense	0	945	100	845
Membership and subscriptions	0	0	200	(200)
Capital outlay	82,856	0	0	0
Transfers	11,017	15,158	15,158	0
	<u>140,567</u>	<u>61,677</u>	<u>\$ 66,624</u>	<u>\$ (4,947)</u>
Receipts Over (Under) Expenditures	5,569	4,963		
Unencumbered Cash, Beginning	58,427	63,996		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 63,996</u>	<u>\$ 68,959</u>		

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

<u>Solid Waste Utility Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
User fees	\$ 44,672	\$ 41,986	\$ 44,000	\$ (2,014)
	<u>44,672</u>	<u>41,986</u>	<u>\$ 44,000</u>	<u>\$ (2,014)</u>
Expenditures				
Utility costs	<u>41,774</u>	<u>39,311</u>	<u>\$ 46,000</u>	<u>\$ (6,689)</u>
	<u>41,774</u>	<u>39,311</u>	<u>\$ 46,000</u>	<u>\$ (6,689)</u>
Receipts Over (Under) Expenditures	2,898	2,675		
Unencumbered Cash, Beginning	17,679	20,577		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 20,577</u>	<u>\$ 23,252</u>		

**CITY OF BENTLEY FINANCIAL REPORTING ENTITY
LAND BANK
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)**

	Prior Year Actual	Current Year Actual
Cash Receipts		
Lot sales	\$ 0	\$ 2,916
Miscellaneous	<u>0</u>	<u>570</u>
	<u>0</u>	<u>3,486</u>
Expenditures		
Miscellaneous	<u>0</u>	<u>1,522</u>
	<u>0</u>	<u>1,522</u>
Receipts Over (Under) Expenditures	0	1,964
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 1,964</u>